

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

THE J. F. HARTZ COMPANY, LIMITED

(Incorporated under the laws of the Province of Ontario by Letters Patent dated the 22nd day of May, 1907)

30,000 CLASS "A" SHARES WITHOUT NOMINAL OR PAR VALUE
(Certificates transferable at Toronto)

AUTHORIZED CAPITAL

STOCK	Number of Shares Authorized	Number of Shares Outstanding	Number of Shares to be Listed
Class "A" shares without nominal or par value.....	30,000	30,000	30,000
Common shares without nominal or par value.....	30,000	30,000	Nil
FUNDED DEBT			
The Company has no funded debt.			

Toronto, March 28, 1949.

1. THE J. F. HARTZ COMPANY, LIMITED (hereinafter referred to as "the Company") hereby makes application for listing on The Toronto Stock Exchange of 30,000 class A shares without nominal or par value.

2. HISTORY

The Company was incorporated on the 22nd day of May, 1907, for the purpose of taking over a business carried on by a predecessor company of the same name. It acquired a wholly owned subsidiary, The J. F. Hartz Company of Montreal Limited, and recently (in the year 1946) it opened a branch in the city of Halifax, Nova Scotia.

3. NATURE OF BUSINESS AND NUMBER OF EMPLOYEES

Since its incorporation the Company has carried on business as manufacturers of and dealers in chemical, medical, surgical, hospital and sick-room supplies and materials in the city of Toronto, and through its wholly owned subsidiary and branch, carried on a similar business in the territory respectively served by the subsidiary and branch. Its method of marketing is by direct sales for which purpose it maintains a sales force of 22 persons exclusive of its employees of the subsidiaries. Its total sales for the last seven years are as follows: 1942, \$739,578.63; 1943, \$796,012.56; 1944, \$937,992.92; 1945, \$1,014,644.63; 1946, \$1,127,991.63; 1947, \$1,365,376.85; 1948, \$1,378,961.21. Its manufacturing operations are limited only to some of the lines it sells and much of its sales volume is in merchandise and products manufactured by others. Its total number of employees, including those of its subsidiary, as at the 31st day of December, 1948, was 175 persons.

4. ORGANIZATION, CAPITAL, AND CHARTER CHANGES

The Company was incorporated on the 22nd day of May, 1907, under the Ontario Companies Act with a capital of 1,500 shares of the par value of \$100 each. By Supplementary Letters Patent dated the 26th day of October, 1946, the then existing capital, all of which had been issued, was converted into 30,000 class A shares without nominal or par value and 30,000 common shares without nominal or par value, all of which capital is issued and outstanding.

5. NO PERSONAL LIABILITY—OPINION OF COUNSEL

All the capital stock of the Company is issued and fully paid and non-assessable, and no personal liability attaches to the ownership thereof.

The opinion of Robertson, Lane, Perrett & Frankish, barristers and solicitors, of Toronto, respecting the legality of the organization of the Company, the validity of the issue of the shares and the fact that they are fully paid and non-assessable is on file at the Exchange.

6. SHARE ISSUES DURING PAST TEN YEARS

No shares have been issued during the past ten years other than the re-issue of already outstanding capital made necessary by reason of the conversion by Supplementary Letters Patent above mentioned, whereby the shares of par value of \$100 each were converted into common shares and class A shares without nominal or par value.

This listing statement is a copy of the listing application made by the applicant company. The Exchange has received no consideration in connection with the issue of this listing statement other than the customary listing fee. The papers and exhibits submitted by the applicant company in support of the listing application are open for inspection at the general office of the Exchange.

7. STOCK PROVISIONS AND VOTING POWERS

CLASS A SHARES—*Dividends*

The holders of class A shares are entitled to a fixed cumulative preferential cash dividend at the rate of 50c per annum per share, payable quarterly on the first days of February, May, August and November in each year, and no dividend is at any time to be declared or set apart on the common shares until the cumulative preferential dividend on the class A shares has been declared and paid or set apart for payment for all previous quarterly dividend periods. After payment of \$2.00 per share on the common shares, the holders of class A shares are entitled to participate equally in all further dividend distributions in any year.

—*Voting Rights*

The holders of class A shares are not entitled to attend or vote at any meeting of the shareholders unless and until the Company is in arrears for eight quarterly dividends on the class A shares. When the Company is in arrears for eight quarterly dividends on the class A shares and thereafter so long as any quarterly dividend is in arrears, the holders of class A shares are entitled to receive notice of and attend at all meetings and to cast one vote in respect of each class A share held.

COMMON SHARES—*Dividends*

After the class A shares have received the preferential dividend of 50c per share, the holders of common shares are entitled to receive dividends in any year up to \$2.00 and thereafter to share equally with the holders of class A shares in all further dividend disbursements in such year.

—*Voting Rights*

The holders of common shares are entitled to one vote for each common share held.

8. DIVIDEND RECORD

The dividends paid by the Company during the last preceding twelve years are as follows:

	Total Dividend	Dividend per Share	Date of Payment
1937	\$18,000.00	\$13.50	March 1st
1938	\$27,000.00	\$18.00	March 1st
1939	\$27,000.00	\$18.00	March 1st
1940	\$27,000.00	\$18.00	March 1st
1941	\$27,000.00	\$18.00	March 1st
1942	\$27,000.00	\$18.00	March 1st
1943	\$27,000.00	\$18.00	March 1st
1944	\$27,000.00	\$18.00	March 1st
1945	\$30,000.00	\$20.00	March 1st
1946	\$30,000.00	\$20.00	March 1st
1947	\$25,000.00	\$16 $\frac{2}{3}$ on 1,500 shares (old share capital)	January 15th*
	\$15,000.00	50c on class A shares	12 $\frac{1}{2}$ c on each of 1st days of February, May, August and November
	\$30,000.00	\$1.00 on common shares	33 $\frac{1}{3}$ c on each of 1st days of April, August and December.
1948	\$15,000.00	50c on class A shares	12 $\frac{1}{2}$ c on each of 1st days of February, May, August and November
	\$30,000.00	\$1.00 on common shares	33 $\frac{1}{3}$ c on each of 1st days of April, August and December
1949	\$ 3,750.00	12 $\frac{1}{2}$ c on class A shares	February 1st
	\$11,250.00	37 $\frac{1}{2}$ c on common shares	March 1st

*This dividend for 1947 was declared on the 30th day of September, 1946, on the 1,500 shares formerly outstanding and was payable to shareholders of record on September 30, 1946, and was payable on the 15th day of January, 1947.

No dividends are in arrears.

NOTE—Since the date of this application the following dividend has been declared—\$3,750.00, 12 $\frac{1}{2}$ c on class A shares, May 1st.

9. RECORD OF PROPERTIES

The Company is the owner of a seven-storey brick and concrete building approximately 54 feet by 135 feet situate on a block of land having a frontage of 81 feet on Grenville Street by a depth of 135 feet, in the city of Toronto. The J. F. Hartz Company of Montreal Limited is the owner of premises at 1434 McGill College Avenue, Montreal, having a frontage of 50 feet by a depth of 100 feet approximately. The Company's branch in Halifax is operated in leased premises at 301 Barrington Street.

10. SUBSIDIARY COMPANIES

The Company's only subsidiary is The J. F. Hartz Company of Montreal Limited, incorporated under the laws of the Province of Quebec by Letters Patent dated the 9th day of August, 1927. Its authorized capital consists of 1,000 shares, all of which shares have been issued and all of which, except the Directors' qualifying shares, are owned by the Company.

11. FUNDED DEBT

The Company has no funded debt.

12. OPTIONS AND UNDERWRITERS

There are no options with respect to any unissued shares of the Company or in respect of any issued shares held for the benefit of the Company.

13. LISTING ON OTHER STOCK EXCHANGES

The Company's securities are not listed on any other stock exchange.

14. STATUS UNDER SECURITY ACT

A prospectus in the form submitted herewith was filed with the Ontario Securities Commission on the 22nd day of November, 1946, and the requirements for sale by registered brokers in the Provinces of Quebec, Nova Scotia and New Brunswick were complied with as follows: Quebec, 3rd December, 1946; Nova Scotia, 23rd December, 1946; New Brunswick, 3rd December, 1946.

15. FISCAL YEAR
The Company's fiscal year ends on the 31st of December.

16. ANNUAL MEETING
The Company's annual meeting is held at a place and on a day to be fixed annually by the Board of Directors. The last annual meeting of the Company was held at the Company's office, 34 Grenville Street, Toronto, on Friday, the 18th day of February, 1949.

17. HEAD AND OTHER OFFICES
The head office of the Company is at 34 Grenville Street, Toronto. The office of the Company's subsidiary is at 1434 McGill College Avenue, Montreal, and the office of the Company's branch is at 301 Barrington Street, Halifax, Nova Scotia.

18. TRANSFER AGENT
The Company's transfer agent is the Crown Trust Company, at its offices 302 Bay Street, Toronto.

19. TRANSFER FEE
There is no transfer fee chargeable other than stock transfer tax as required by law.

20. REGISTRAR
The Company's registrar is the Crown Trust Company at its offices, 302 Bay Street, Toronto.

21. AUDITORS
The Company's auditors are Messrs. Wilton C. Eddis & Sons, Chartered Accountants, 85 Richmond Street West, Toronto.

22. OFFICERS

NAME	POSITION HELD	ADDRESS
Thomas B. James.....	<i>President and General Manager</i>	132 Forest Hill Road, Toronto
Albert A. Stokes.....	<i>Vice-President</i>	16 Ardmore Road, Toronto
Victor R. Smith.....	<i>Secretary and Treasurer</i>	46 Blantyre Avenue, Toronto

23. DIRECTORS

NAME	ADDRESS
Thomas B. James.....	132 Forest Hill Road, Toronto..... <i>President and General Manager</i>
Albert A. Stokes.....	16 Ardmore Road, Toronto..... <i>Vice-President</i>
Victor R. Smith.....	46 Blantyre Avenue, Toronto..... <i>Secretary and Treasurer</i>
Jackson A. McCullough.....	17 Bridle Path, York Mills, Ontario.... <i>Merchandise Manager</i>
Arthur A. Norton.....	22 Eastview Crescent, Toronto..... <i>Chemist</i>
Frederick O. Reid.....	13 The Kingsway, Toronto..... <i>Tax Consultant</i>
Thomas C. Stokes.....	78 Stratford Road, Hampstead, Que.... <i>Manager of The J. F. Hartz Company of Montreal, Limited</i>

Pursuant to a resolution passed by its Board of Directors, the applicant Company hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



THE J. F. HARTZ COMPANY, LIMITED
"T. B. JAMES," *President*.
"V. R. SMITH," *Secretary-Treasurer*.

STATEMENT SHOWING NUMBER OF SHAREHOLDERS
Distribution of Class "A" Stock as of April 4, 1949

Number	Shares
166 Holders of 1 - 100 share lots.....	9,990
35 " " 101 - 200 " "	6,195
5 " " 201 - 300 " "	1,350
1 " " 301 - 400 " "	335
7 " " 401 - 500 " "	3,430
3 " " 501 - 1000 " "	2,500
2 " " 1001 - up " "	6,200
219 Stockholders	Total shares. 30,000

FINANCIAL STATEMENTS

THE J. F. HARTZ COMPANY, LIMITED and its wholly owned subsidiary THE J. F. HARTZ COMPANY OF MONTREAL LIMITED

CONSOLIDATED BALANCE SHEET, 31st DECEMBER, 1948

ASSETS

CURRENT ASSETS:

Cash on hand and in banks.....	\$ 8,389.87	
Accounts receivable, less reserve.....	261,992.68	
Merchandise on hand as determined and certified to by the management and valued at the lower of cost or market.....	229,367.10	
Due by employees re War Savings bonds and pension fund advance.....	7,733.57	
Refundable portion of excess profits tax, due by 31st March, 1949.....	17,628.06	
Deferred expenses.....	1,285.00	
		<u>\$526,396.28</u>

SUNDRY ASSETS:

Refundable portion of excess profits tax due 1950 to 1951.....	38,856.33
Advances to salesmen for expenses and purchase of motor cars.....	10,990.66

FIXED ASSETS:

	<i>Asset at Cost</i>	<i>Reserve Depreciation</i>	
Land.....	\$ 58,000.00	—	
Buildings.....	282,023.58	\$153,957.69	
Plant, machinery, furniture and fixtures.....	73,760.79	68,730.00	
Automobiles.....	12,242.53	6,983.13	
	<u>\$426,026.90</u>	<u>\$229,670.82</u>	
			196,356.08
			<u>\$772,599.35</u>

LIABILITIES

CURRENT LIABILITIES:

Bills payable, bank.....	\$ 15,203.00
Bank overdraft.....	9,400.20
Accounts payable and accrued accounts.....	108,395.48
Bills payable.....	54,000.00
Provision for taxes on income.....	37,143.60
	<u>\$224,142.28</u>

CAPITAL STOCK:

Authorized, issued and paid up—		
30,000 class "A" cumulative participating shares of no par value.		
30,000 common shares of no par value.....	\$150,000.00	
Surplus.....	398,457.07	
		<u>548,457.07</u>
		<u>\$772,599.35</u>

AUDITORS' REPORT TO SHAREHOLDERS

We have made an examination of the books and accounts of The J. F. Hartz Company Limited and its wholly owned subsidiary, The J. F. Hartz Company of Montreal Limited, for the year ended 31st December, 1948. The above consolidated balance sheet is, in our opinion, properly drawn up so as to exhibit a true and correct view of the state of the Companies' affairs as at 31st December, 1948, according to the best of our information and the explanations given us and as shown by the books of The J. F. Hartz Company, Limited, and its wholly owned subsidiary, The J. F. Hartz Company of Montreal Limited. During the year the company was successful in having its standard profits under the Excess Profits Tax Act increased. As the revised assessments have not been received, any benefits are not reflected in this balance sheet. The annexed consolidated surplus account, subject to the above, in our opinion, correctly reflects the results of the operations of The J. F. Hartz Company, Limited, and its subsidiary for the year ended 31st December, 1948. All our requirements as auditors have been complied with.

WILTON C. EDDIS & SONS,

Toronto, Ontario, 15th February, 1949.

Chartered Accountants.

CONSOLIDATED SURPLUS ACCOUNT

Balance at credit, 31st December, 1947.....		\$341,046.13
<i>Add:</i>		
Operating profit for year ended 31st December, 1948.....	\$166,847.07	
Less provision for taxes on income.....	61,664.04	
NET PROFIT FOR YEAR.....		105,183.03
		<u>\$446,229.16</u>
<i>Deduct:</i>		
Dividends paid—		
On class A shares.....	\$ 15,000.00	
On common shares.....	30,000.00	
On common shares under Part XVIII of the Income Tax Act	2,337.42	
Income tax paid on dividend paid under Part XVIII of the Tax Act		
as above.....	434.67	
		<u>47,772.09</u>
BALANCE AT CREDIT, 31st December, 1948.....		<u>\$398,457.07</u>

COMPARATIVE CONSOLIDATED BALANCE SHEETS, 1946-7-8

	31st December		
ASSETS	1946	1947	1948
Cash on hand and in bank.....	\$ 8,596.31	\$ 12,062.76	\$ 8,389.87
Accounts receivable, less reserve.....	187,978.90	229,796.36	261,992.68
Merchandise on hand as determined and certified to by the management and valued at the lower of cost or market.....	165,171.80	169,505.74	229,367.10
Dominion of Canada bonds.....	10,000.00	10,000.00
Due by employees re Savings bonds.....	5,000.16	6,545.52	7,733.57
Refundable portion of excess profits tax.....	6,155.30	17,628.06
Deferred expenses.....	1,566.48	1,285.00
TOTAL CURRENT ASSETS.....	<u>\$376,747.17</u>	<u>\$435,632.16</u>	<u>\$526,396.28</u>
Refundable portion of excess profits tax.....	64,139.69	56,484.39	38,856.33
Advances, salesmen and employees.....	5,519.71	7,486.77	10,990.66
Fixed assets, less depreciation.....	205,179.05	204,773.24	196,356.08
	<u>\$651,585.62</u>	<u>\$704,376.56</u>	<u>\$772,599.35</u>
LIABILITIES			
Bank overdraft.....	\$ 18,867.36	\$ 24,287.67	\$ 24,603.20
Accounts payable and accrued accounts.....	146,444.81	137,702.75	162,395.48
Provision for taxes on income.....	14,784.98	51,340.01	37,143.60
Dividends payable.....	25,000.00
TOTAL CURRENT LIABILITIES.....	<u>\$205,097.15</u>	<u>\$213,330.43</u>	<u>\$224,142.28</u>
Capital Stock—			
Authorized, issued and paid up—			
30,000 class A cumulative, participating shares, no par value.			
30,000 common shares, no par value.....	150,000.00	150,000.00	150,000.00
Surplus.....	296,488.47	341,046.13	398,457.07
	<u>\$651,585.62</u>	<u>\$704,376.56</u>	<u>\$772,599.35</u>

COMPARATIVE TRADING AND PROFIT AND LOSS ACCOUNT, 1946-7-8

	For Year Ended 31st December		
	1946	1947	1948
Sales.....	\$1,486,402.20	\$1,784,606.22	\$1,791,482.63
Less cost of sales.....	980,680.59	1,159,427.10	1,131,784.17
Gross Profit.....	<u>\$ 505,721.61</u>	<u>\$ 625,179.12</u>	<u>\$ 659,698.46</u>
<i>Deduct:</i>			
Selling and management expenses.....	\$398,174.08	\$449,500.93	\$490,292.77
Depreciation.....	7,742.85	7,513.27	7,667.37
	<u>405,916.93</u>	<u>457,014.20</u>	<u>497,960.14</u>
	\$ 99,804.68	\$ 168,164.92	\$ 161,738.32
<i>Add:</i>			
Sundry income.....	16,516.86	4,882.34	5,108.75
Operating Profit before taxes on income.....	<u>\$ 116,321.54</u>	<u>\$ 173,047.26</u>	<u>\$ 166,847.07</u>

SURPLUS ACCOUNT

For Year Ended 31st December

	1946	1947	1948
Balance at credit at start of period.....	\$ 348,832.71	\$ 296,488.47	\$ 341,046.13
Add:			
Operating Profit.....	\$116,321.54	\$173,047.26	\$166,847.07
Less provision for taxes on income.....	54,125.31	82,863.65	61,664.04
Net Profit.....	62,196.23	90,183.61	105,183.03
	\$ 411,028.94	\$ 386,672.08	\$ 446,229.16
Deduct:			
Special dividend and tax thereon under Part XVIII of Income War Tax Act..	\$ 54,435.47		\$ 2,772.09
Dividends paid.....	30,105.00	\$ 45,000.00	45,000.00
Provision for reorganization expenses.....	5,000.00	1,691.60 *	
Dividend declared, not paid	25,000.00		
Adjustment re prior years..		2,317.35	
	114,540.47	45,625.95	47,772.09
Balance at credit at end of period.....	\$ 296,488.47	\$ 341,046.13	\$ 398,457.07
*Debit			

AUDITORS' CERTIFICATE

We hereby certify that the attached consolidated balance sheets, surplus accounts, trading and profit and loss accounts of The J. F. Hartz Company Limited and its wholly owned subsidiary, The J. F. Hartz Company of Montreal Limited are as shown on the balance sheets of the above mentioned companies, duly certified to by us for the years ended 31st December, 1946, 1947 and 1948. The only qualification in our certificates is in connection with the 1948 balance sheet, where we commented that the saving in taxes on income due to the standard profit of the company being increased was not reflected in the balance sheet as the revised assessments had not been received.

WILTON C. EDDIS & SONS.

Toronto, March 14th, 1949.

PRESIDENT'S REPORT TO SHAREHOLDERS

To The Shareholders:

The Board of Directors has pleasure in presenting herewith the Annual Report of your Company for the year ending December 31st, 1948, consisting of the Balance Sheet and the Surplus Account together with the report of the Company's auditors, Wilton C. Eddis & Sons.


The volume of business throughout the year was well maintained and showed some increase over the previous year. Business in the sales office in the City of Halifax showed a considerable increase and justifies the wisdom of the management in establishing an office in that city. The Company's properties in Toronto and Montreal have been well maintained. Full depreciation has been provided on the buildings, plant and machinery, and ample reserves set up in respect to Accounts Receivable.

After making provision for Income Tax, the net profits for the year amount to \$105,183.03 which compares very favorably with \$90,183.61 for the year ended December 31st, 1947.

The prospects for the coming year appear good and it is hoped that business will be maintained at least at the present level. As I have mentioned on previous occasions, our successes are due in no small way to the loyal support and efforts of all our employees and on behalf of the Board of Directors I wish to express sincere appreciation of their interest in the welfare of the Company.

Submitted on behalf of the Board of Directors.

T. B. James
President and General Manager.



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